

KANSAS RACING AND GAMING COMMISSION

MINUTES – JULY 22, 2016

CALL TO ORDER
(A.)

Chairman Brandon Jones called the July 22, 2016, meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners Dennis McKinney, David Moses and Jan Kessinger were also present. Commissioner Dennis McKinney was absent. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE
AMENDED AGENDA
(B.)

There was one amendment to the agenda: corrections to Kansas Star's monthly report (item F.2.a on the agenda). Commissioner McKinney (Kessinger) moved to approve the amended agenda. Motion carried unanimously.

MOTION, APPROVE JUNE
17, 2016 MEETING
MINUTES
(C.1.)

Commissioner Kessinger (Moses) moved to approve the minutes of the June 17, 2016 meeting. Motion carried unanimously.

MOTION, AMEND GLI
APPROVAL LETTERS;
REMOVE LINE ITEM #24
AND LINE ITEMS #39-#43
(D.1.a.)

Executive Director Brownlee informed the commission that there was a change to the GLI approval letters (item D.1.a. on the agenda). GLI recently rejected some of the software that was placed on the approval letters list. Executive Director Brownlee stated that line item #24 and line items #39 through #43 needed to be removed. Commissioner McKinney (Kessinger) moved to remove line item #24 and line items #39-#43. Motion carried unanimously.

MOTION, APPROVE
CONSENT AGENDA AS
AMENDED
(D.)

Commissioner McKinney (Kessinger) moved to approve the amended consent agenda. Motion carried unanimously.

PRESENTATION OF
PLAQUE TO
COMMISSIONER KING
(E.)

Chairman Jones presented a plaque to Commissioner Eileen King for her years of service as secretary to the commission. Commissioner King thanked the commission for the opportunity to serve.

LOTTERY GAMING
FACILITY

Diane Giardine, General Manager, reported:

REPORTS/ITEMS; BOOT
HILL CASINO & RESORT
(F.1.a.)

- June 2016 revenue numbers compared to June 2015:
 - Total gaming revenue up 2.85%
 - Total slot revenue up 4.50%
 - Table games revenue down 8.20%
- Past casino promotions and arena events:
 - Seniors Take 10
 - Amp'ed Up April Point Multiplier
 - Stay & Play hotel packages
 - Motorcoach trips
- Upcoming casino promotions and arena events:
 - July BHCR Water Bottle Earn & Win
 - 3 card poker tournament
 - Pickin' & Winnin' Ram Truck Giveaway
 - Fall Concert Series
 - August 12 – Mercy Me
 - August 19 – Pepe Aguilar
 - August 25 – Styx
 - October 7 – Make America Rock
- Semi-Annual Responsible Gambling Report (January 1, 2016 through June 30, 2016)

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(F.2.a.)

Dan Ihm, General Manager, reported:

- June 2016 admissions were down 11.7% from June 2015.
- June 2016 revenue numbers compared to June 2015:
 - Total gaming revenue down 1.1%
 - Slot coin-in (handle) down 4.3%
 - Slot hold up .09 points
 - Table game drop up 4.3%
 - Table game hold up 2.1 points
 - Poker room revenue down 3.7%
- Past events at the Kansas Star Casino Arena:
 - June 9-11 – Legends in Concert
 - June 18 – Marauders Car Show
 - July 1-5 Never Forget Mobile Exhibit
 - July 9 – The Dan Band
 - July 16 – Side Swipe Martial Arts
- Upcoming events at the Kansas Star Casino Events Center:
 - July 22 – Bellator MMA
- Semi-Annual Responsible Gambling Report (January 1, 2016 through June 30, 2016)

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(F.3.a.)

Rick Skinner, General Manager, reported:

- June 2016 revenue numbers compared to June 2015:
 - Total gaming revenue was \$11.4 million, a decrease of \$125,000.00 or 1.1%
 - Table games revenue was \$1.5 million, a decrease of \$91,000.00 or 5.7%
 - Slot revenue was \$9.9 million, a decrease of \$33,000.00 or 0.3%
- The month of June featured the usual compliment of marketing promotions including point and entry multipliers and direct mail. A bonus e-blast offer was added to the calendar. On June 17, Hollywood Casino held their “Marquee Rewards: Your Vegas Destination” grand prize drawing.
- Road construction between I-35 and I-435 interchange remained a challenge for Johnson County customers to maneuver, and the exit closure from I-635S to I-70W also continued to add to congestion and hinder guest visitation.
- Semi-Annual Responsible Gambling Report (January 1, 2016 through June 30, 2016)

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(F.4.a.)

Doug Fisher, General Manager, reported:

- Progress on construction of Kansas Crossing Casino and Hampton Inn & Suites:
 - The perimeter foundation footings and column installations are complete. The plumbing ground rough-in is complete. The electrical and data conduit installations are in progress. The concrete placement for the foundation slab is in progress. (Kansas Crossing Casino)
 - The foundation slab and pool decking installations are complete. The pool gunite installation is complete. The south stairwell CMU block construction is in progress. The steel framing for the common areas and pool are in progress. The first floor framing is in progress. (Hampton Inn & Suites)
- Planned activities for Kansas Crossing Casino and Hampton Inn & Suites:

- Complete concrete placement for the foundation slab and begin installation of steel framing for walls and support columns. (Kansas Crossing Casino)
- Complete first floor walls, I-joist and decking installations. Begin second floor framing. Complete CMU block wall construction for elevator shaft and north stairwell. (Hampton Inn & Suites)
- No new special inspection reports have been submitted since the previous Site Visit Report for both Kansas Crossing Casino and Hampton Inn & Suites.

COMMISSION ITEMS –
OLD BUSINESS;
(G.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS;
(H.1.a.)

Executive Director Brownlee presented to the commission the quarterly report on staff out-of-state travel, licensing and illegal gambling.

PUBLIC COMMENTS
(I.)

There were no public comments.

STAFF REPORTS
(J.1. and J.2.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of June 2016.

Executive Director Brownlee reported:

- The hiring process for an on-site supervisor and compliance officer for Kansas Crossing Casino has started and hope to have both positions hired and started by October 1, 2016.
- The next meeting of the Kansas Racing and Gaming Commission will be August 19, 2016 at 10:00 a.m. in Topeka.

DISCIPLINARY REVIEW
PROCEEDINGS
(K.1.)

Michelle Neis, Enforcement Attorney, presented to the commission a full evidentiary hearing in the matter below:

- Aaron Bowlus – 2016-3009

MOTION, EXECUTIVE
SESSIONS
(L.1., L.2. and L.3.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) attorney/client privilege, (2) reviewing the list of confidential backgrounds for licensing (3) confidential data relating to the financial affairs of lottery gaming facilities and (4) deliberating on KRGK case number 2016-3009. Those included in the

executive sessions were the commissioners, executive director, general counsel, director of admin, audit and finance, and the security manager. The total time for the executive sessions was anticipated to be forty minutes. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner Moses (Kessinger) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:27 a.m.

RECONVENE

The commission meeting returned to open session at 12:09 p.m. with all members present.

MOTION TO DENY,
CONDITIONALLY
APPROVE w/EXTENSION
OF TEMPORARY WORK
PERMIT, APPROVE
REQUEST FOR
RECONSIDERATION,
DENY REQUEST FOR
RECONSIDERATION AND
APPROVE LICENSE
APPLICATIONS
(M.1.)

Commissioner Kessinger (Moses) moved to *deny* three license applications, *conditionally approve with extension of temporary work permit* four license applications, *approve* one request for reconsideration, *deny* one request for reconsideration, and *approve* the remaining 161 license applications from the July 22, 2016 list of background reports referred to the commission for action. Motion carried unanimously.

MOTION/VOTE

Chairman Jones moved that commission vote to affirm the summary order in KRGC case 2016-3009. Votes were a show of hands for aye, opposed same sign. Chairman Jones, Commissioner McKinney, Commissioner Moses and Commissioner Kessinger all voted aye. The summary order was affirmed and General Counsel, Judith Taylor, directed to draft an order to that effect within thirty days.

MISCELLANEOUS

- Commissioner McKinney asked that the commission request that the financial consultant who briefed the commission in March 2016 for Boyd Gaming return to discuss that refinancing with the commission again.
- Commissioner McKinney also asked that KRGC staff make it clear to Kansas Crossing Casino leaders that the KRGC is serious about emergency preparedness and since they are still

in the early stages of construction that this be addressed while it can still be addressed.

- Chairman Jones wanted to make the commission aware that he has a conflict with the October 14, 2016 meeting date.

ADJOURN
(N.)

Chairman Jones declared the meeting adjourned at 12:13 p.m.

SUBMITTED BY:

(Signature on file)

Jan Kessinger
Secretary

APPROVED BY:

(Signature on file)

Brandon Jones
Chairman